Against the Grain

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Op-Ed-Opinions and Editorials-Solving Puzzles

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Solving Library Puzzles

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Anthony W. Ferguson's Back Talk (Sept. 99 p. 86) observed that library technologies fit like pieces of a jigsaw puzzle together with researchers, the academy, publishing technology, and dollars. Everything he says is true in one sense but not in another. There are matchings to fit budgets—but not to fit user needs. Many pieces, in my view, are forced to fit: access is cheaper than ownership, but slower. Interlibrary loan [ILL] is cheaper than commercial document delivery [CDD], also slower. ILL and CDD are cheaper than e-journals, but also slower. The **Association of Research Libraries** not long ago reported the average ILL took 16 days. Ferguson says, "None of us ... have enough money." So slower and cheaper have solved financial goals at the expense of library users.

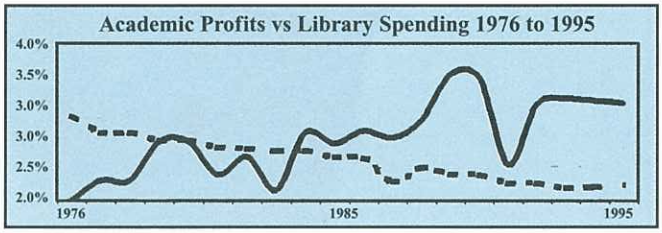
It made me think of the multi-dimensional models pondered by entrepreneurs. We need more pieces to complete the Library Puzzle Picture. How does one justify the deliberate transition from fast dissemination to slow (except as from expensive ownership to cheap access)? During this period, the already massive research literature—blamed in the 50s for the fumbling of Western science when Sputnik first orbited—doubled and then doubled again. Should we assume university managers have a plan?

I believe they do. Asked for pieces of a more famous puzzle, Deep Throat told the Watergate reporters, "Follow the money." It was profound advice. Universities now run themselves like businesses. Their management teams depend on people trained in business schools. In ***Technology and Scholarly Communication*** (University of California Press, 1999), editors **Richard Ekman** and **Richard E. Quandt** commented, "The argument in favor of the wholesale adoption of the new information technology [IT] ... rests on the hope—indeed the dogma—that IT will substantially raise productivity." "Productivity" in business, is code for profits.

No one talks about university profits. They deserve our attention, particularly when profits come out of the hide of librarians and publishers. Stunted library spending curtailed the growth of career opportunities for librarians and justified the closing of at least one famous library school. It forced publishers to raise their prices in the face of hostile criticism and to narrow their editorial coverage at a time when more coverage was needed. It also shifted expenses of dissemination to readers, unfairly in my opinion because the policy was never offered for discussion. The dogma cited by Ekman and Quandt presumed that IT would justify reducing library costs. Universities started to cut library spending in 1970, based on the proliferation of the Xerox model 914 copier and legislative support for library photocopying as fair use. The savings went to profits.

Government statistics reveal that academic revenues minus expenditures leave a surplus. You can easily check this, as I did. While the ***Digest of Education Statistics*** obscures profits by presenting revenues and expenditures separately, IT makes it child's play to post totals on a spreadsheet and calculate the surplus for each group and each year. When I first announced these results in an Internet discussion, I was bombarded by angry denials, insisting that every cent is spent and nothing is left. I cannot help the figures, which are well established. Published for years and years, they show billions of dollars left over. (Table 1) I asked the **National Center for Education Statistics** for an explanation. They said they didn't know and that they were working on a new statistical questionnaire.

For comparison the total research universities' libraries expenditure was $1,719,748, more than half a billion dollars less than the profits. Yet, administrators claim there is not enough money.



Perhaps faith in IT productivity justified the repeatedly documented cuts in library shares of university spending over the last 30 years. My news is that, in the mid-1970s, academic libraries' spending actually exceeded total profits. Figure 1 below uses percent of total revenue for analysis—as is done in many businesses. The lines crossed in the mid-1980s. By the mid-1990s, academic profits were firmly on top. Notice the $110 million dip in total library spending in 1987, two years before the library crisis took center stage.

The dogma is wrong, of course. Economists for years have held that productivity in knowledge industries comes at the output stage, by reducing duplication and error, rather than by reducing financial inputs as mechanical technology does. At least one study indicated that library costs increase as IT makes available more labor-intensive activity.

As long as we are ignorant, we are vulnerable. President Eisenhower once warned that government contracts had replaced intellectual curiosity. Here we have substantial proof that profits are more important than knowledge. It also is evidence that the library crisis was fabricated as a smokescreen to hide the real agenda.

Table 1. Profits of 125 Research Universities 1994-95 in thousands

Control and type of institution	Revenue	Expenditure	Profits
Public Research U I	$44,824,870	$43,353,284	$1,471,586
Public Research U II	$7,181,999	$7,068,658	$113,341
Total Public Research U	$52,006,869	$50,421,942	$1,584,927
Private Research U I	$26,860,577	$26,154,592	$705,985
Private Research U II	$4,070,600	$3,868,995	$201,605
Total Private Research U	$30,931,177	$30,023,587	$907,590
TOTAL RESEARCH U	$82,938,046	$80,445,529	$2,492,517

Source: *Digest of Education Statistics* 1997. Tables 328 and 335.